Ministry of
Agriculture, Food
and Fisheries

2003/04
Annual Service Plan Report

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Table of Contents

Accountability Statement 5

Message from the Minister 7

Year-at-a-Glance Highlights 9

Ministry Role and Services 11

Performance Reporting 21

Report on Resources 45

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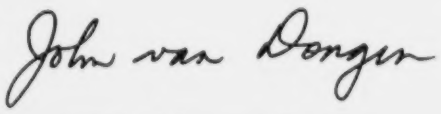
Accountability Statement

The 2003/04 Ministry of Agriculture, Food and Fisheries Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the ministry's 2003/04 Service Plan. I am accountable for the ministry's results and the basis on which they have been reported.

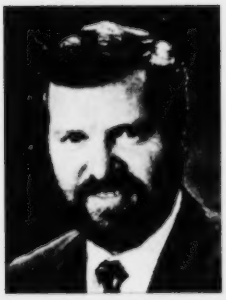


Honourable John van Dongen
Minister of Agriculture, Food and Fisheries

June 15, 2004

BRITISH COLUMBIA

Ministry of Agriculture, Food and Fisheries



While the past year has presented unforeseen challenges to BC's agri-food industries, the diversity of our agriculture, food and fisheries sectors continue to provide many opportunities for adding value and marketing.

Wildfires, drought, BSE (Bovine Spongiform Encephalopathy), and avian influenza have dominated our activities and affected economic performance to a degree. For instance, our export targets were not met, partially because of the restrictions on beef, cattle and poultry products by other countries.

Our efforts to get borders open and the cattle and poultry industries back on their feet continue. Compensation issues are still high priorities, and consumer confidence remains a main concern.

In addition to dealing with these challenges, we have made many strides. The federal-provincial Agriculture Policy Framework is being implemented in B.C., providing a comprehensive and coordinated response to strategic sector needs.

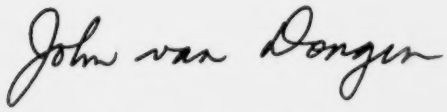
We have entered a new partnership with the Federal government on fisheries management including the creation of the Pacific Council of Fisheries and Aquaculture Ministers and clear indication of renewed federal commitment to working with BC to resolve fisheries related issues.

The BC Seafood Sector and Tidal Water Recreational Fishing SWOT (strengths, weaknesses, opportunities, threats) analysis we presented to industry as a critical step in developing a new policy framework for fisheries and aquaculture in the 21st century.

Monitoring and auditing of salmon farms and fish health management plans have been increased and effective. On-farm food safety programs are improving traceability and food safety and quality across the food production system, and BC is leading all other provinces in environmental farm planning.

Three years ago, the ministry undertook to redefine itself and its relationship and services to industry. Over the past year, these partnerships have paid off as we all worked together to meet trying times, with key provincial groups like the Investment Agriculture Foundation and the B.C. Agriculture Council; with other provincial resource, environment and health ministries; and with federal agencies like Agriculture and Agri-Food Canada, Fisheries and Oceans Canada and the Canadian Food Inspection Agency.

We cannot foresee what new challenges the agri-food and fisheries sectors will face next year, but I am confident that our adaptability and diversity will enable us to deal with them.



Honourable John van Dongen
Minister of Agriculture, Food and Fisheries

Year-at-a-Glance Highlights

In 2003/04, the ministry achieved several milestones that will continue to improve the competitive position of B.C.'s agriculture, food and fisheries sectors.

It was also a year that tested our sectors. Yet in spite of the significant economic setbacks from wildfires, drought, Bovine Spongiform Encephalopathy (BSE), the outbreak of avian influenza and a downturn in farmed salmon production, B.C.'s diverse agriculture, food and fisheries sectors out-performed Canada as a whole. Farm cash receipts increased 4.4 per cent (compared to a decline of 5.8 per cent at the Canada level), and net cash income increased 22 per cent (compared to a decline of 43 per cent for Canada). Additionally, the value of food and beverage shipments increased three per cent, whereas for Canada as a whole, food and beverage shipments increased 1.8 per cent from 2002.

Significant Achievements

An Integrated Policy Framework

British Columbia signed the Bilateral Implementation Agreement with the federal government in June 2003, securing full provincial access to federal programming under the Agricultural Policy Framework (APF). The APF brings together business risk management, environmental, food safety and quality, renewal and business management, and science and innovation programs.

A total of $280 million in program support has been secured through this federal-provincial cost-shared agreement. The APF supports the ministry's broader efforts to create an integrated policy framework that is a comprehensive and co-ordinated response to strategic sector needs.

Renewing Fisheries and Aquaculture

The ministry achieved several major successes that will establish a strong foundation for the future of fisheries and aquaculture in B.C., including:

- a Joint Task Group on Post-Treaty Fisheries was initiated in partnership with the Treaty Negotiation Office (TNO) and the federal government, to define a new vision for integrated fisheries management;
- a stronger compliance and enforcement regime for aquaculture and improved fish health management approaches; and
- re-siting of aquaculture farms to better locations and generation of new economic activity through licensing of new shellfish and finfish farms.

Food Safety and Quality

In 2003/04, B.C. continued to respond to and meet consumer and market demands for the safest and highest-quality food products. The ministry initiated the development of a food strategy for B.C. that will co-ordinate and define the roles and responsibilities of everyone involved with B.C. food safety to achieve the best results possible. It encouraged industry to adopt quality programs on farms and in processing operations, and it supported the rollout of the Canadian Food Safety and Quality Program.

Environmental Sustainability

The ministry, in partnership with the B.C. Agriculture Council, made B.C. the leader in implementing Canada's environmental farm planning programming and secured $20.28 million in federal funding over five years for this initiative.

A Comprehensive Response to BSE

B.C. responded rapidly and effectively to Canada's BSE crisis by bringing together experts from all business areas in a task team model that was invaluable during the avian influenza outbreak a few months later. The ministry worked closely with the Canadian Food Inspection Agency (CFIA) and industry to implement regulatory changes flowing from the BSE crisis, and helped design and deliver support programs, which provided approximately $70 million for B.C. ranchers and dairy farmers.

In the wake of the BSE crisis, the ministry developed science-based responses to U.S. border closures in tandem with federal and provincial counterparts, and continued to improve the food safety and quality system that was tested by the crisis. These efforts contributed to a partial reopening of the US market in August 2003.

Growth and Prosperity

The year 2003/04 has underscored the fact that the agriculture, food and fisheries sectors must succeed within an ever-changing world. Our sectors have a bright future as long as they are flexible, act on opportunities and are able to effectively manage key risks. The ministry will continue to work in partnership with provincial ministries and agencies, with federal and local governments, and with industries and consumers to put in place a sound framework for success.

Ministry Role and Services

Ministry Overview

The ministry helps the agriculture, food and fisheries sectors prosper and contribute to the B.C. economy while delivering high-quality and safe products to consumers within a context of environmental sustainability. This in turn provides social and economic benefits for industry participants and dispersed coastal and rural communities.

The ministry administers programs related to the production, marketing, processing and merchandising of agricultural and seafood products. Its stakeholders include B.C. producers (agriculture, aquaculture and fisheries) and the entire food system from primary producer to retail, consumers and citizens.

The ministry administers 30 statutes that ensure responsible approaches to the public interest concerning food safety/quality, the environment, pest and disease management, appropriate farm practices, licensing, risk management and marketing. Many of these statutes are administered in partnership with other agencies, including municipal, provincial and federal governments.

The ministry has 329 staff positions located in communities across the province. It is organized into 15 branches within three divisions:

1) Resource Development and Sustainability,
2) Risk Management and Competitiveness, and
3) Executive and Support Services (including Policy and Legislation).

All branches deliver programs within one or more of the core business areas described later in this document.

Ministry Vision, Mission and Values

Vision

A competitive and profitable industry providing safe, high-quality food for consumers and export markets.

Mission

Deliver programs that maintain a positive business climate for a competitive market-responsive agri-food and fisheries sector, and safeguard B.C.'s ability to provide safe and high-quality British Columbia agri-food and seafood products for consumers.

Values

The following values outline the fundamental beliefs of the ministry and describe how the organization and its employees interact with clients and each other. The ministry strives to conduct its business effectively and in a manner that is:

1. Fair and Equitable — building and maintaining among ministry personnel an effective spirit of teamwork and co-operation based on trust, integrity, flexibility, innovation, social equity, and equality of opportunity.
2. Responsible and Accountable — emphasizing responsible use of government resources and transparency in accounting for the use of those resources.
3. Service-oriented — responding to the needs of the public, agriculture and fisheries sector groups, communities and staff in a timely and courteous manner.
4. Partnership-Building — promoting teamwork, good working relationships, and effective partnerships with, and co-operation among, all orders of government, First Nations, agriculture, aquaculture and fisheries sector groups and communities.

Ministry Operating Context

With an effective government policy framework, B.C.'s agriculture, food and fisheries sectors can continue to achieve economic growth while managing environmental and social expectations. The development of this framework and the ministry's performance will be influenced by many factors.

Strengths

The agriculture, food and fisheries industries are important contributors to the B.C. economy, generating about $22 billion in consumer sales and supporting more than 280,000 jobs in B.C.[1] The sectors are diverse, with more than 200 commodities being produced in agriculture and some 100 species of fish and shellfish being harvested or raised in B.C. waters. This provides many opportunities for adding value and marketing.

- B.C.'s agriculture industry realized farm cash receipts of $2.31 billion in 2003, and employed over 30,000 people. Total farm net cash income, a measure of profitability, was $381 million in 2003, a 22 per cent increase from the previous year, and 7.9 per cent above its five year average in spite of the BSE crisis and its impact on the livestock sector.
- The primary fish sector generated a (forecasted) $650 million in sales (landed value), and employed nearly 6,000 people in 2003. In total, the seafood industry has averaged $1 billion in wholesale value in each of the last five years, and provided more than 15,000 people with full- and part-time employment. It exports more than 90 per cent of its production.

[1] Includes the value of food retail and food services purchases, farm and food exports, plus food produced for own consumption.

- Saltwater recreational angling generated over $500 million in sales and employed nearly 3,600 people.
- The B.C. food and beverage processing industry, which depends on raw product from the agriculture and fish industries, generated $5.98 billion in sales in 2003, of which $1.8 billion was exported. This sector employs nearly 32,000 people. The value of shipments has increased by 27 per cent over the past five years.
- B.C. agriculture has three related food chain sectors that generate considerable sales and employment in the province:
  - — wholesale food distributors with sales of $6.7 billion and 16,200 employees;
  - — the retail sector with sales of $10.2 billion and 69,000 employees; and
  - — the food service sector with sales of $6.8 billion and 126,000 employees.

During the last decade, employment and production in the agriculture, food and fisheries sectors have remained steady or continued to grow when other sectors have declined or lost markets due to trade issues or global or local recession. This resilience provides a stabilizing influence on many of B.C.'s resource-based rural communities.

Challenges and Risks

B.C.'s agriculture, and seafood industries face significant challenges, but are poised for growth in the right economic environment.

Global markets for agricultural and seafood products are highly competitive.

B.C.'s agriculture, food and seafood industries compete in international markets where competitors with similar or lower cost structures enjoy greater economies of scale and create downward pressures on food commodity prices. Some competitors, including those in Europe, the United States and Japan, receive large government subsidies, and B.C.'s access to markets is often reduced by trade and non-trade barriers. The higher value of the Canadian dollar in 2003 has had a detrimental impact on exports. The ministry promotes competitiveness by addressing trade distortions, promoting industry efforts to diversify with higher-value products and target niche markets, and improving market access.

Local conditions and barriers may also affect long-term industry competitiveness.

Barriers at the local level can include excessive regulations, inflexible marketing systems, outmoded labour standards, and unintended impacts of other policies and regulations on agricultural activity. In response, the ministry has shifted to a results-based approach to regulatory design and delivery; to performance-based governance models for regulatory boards and commissions, and to a clearer advocacy role for agri-food and seafood industries within government.

The seafood industry is in transition.

The seafood industry has been impacted by fluctuations in wild fish populations, uncertainty over access, risk-averse fisheries management decisions, competition in the marketplace,

and downturns in the economies of countries that have been traditional export markets. The seafood industry's business development is moving from a production approach to one that is more market-driven. The focus is on diversification, new product development and expansion.

Consumers and trading partners are demanding greater assurance of food safety and quality.

Recent high-profile animal disease outbreaks such as BSE and avian influenza have underscored the importance of maintaining consumer confidence in the safety and quality of food. They also pose significant economic risks, as illustrated when a single occurrence of BSE in Canada led to the immediate closure of the border for export of livestock products with the U.S. and other trading partners. Cattle sales receipts fell by 27 per cent in 2003 as a result. The agriculture, food and seafood industries must provide assurance that products meet recognized safety standards. This means investing the time and resources needed to develop and implement industry-led food safety and quality programs and traceability programs that are science-based.

Environmental values must be balanced with economic viability.

Public concern about the environment is high, and industry growth must be managed in an environmentally sustainable way. Government has developed a comprehensive regulatory framework for the salmon aquaculture industry, including an improved and harmonized compliance and enforcement regime with the ministry designated as the provincial lead on all compliance issues. The agriculture sector is further developing its ability to deal with environmental issues through on-farm environmental plans.

Governments are key partners in building a prosperous economy.

There is extensive overlap in jurisdiction and interests among all orders of government. Effective relations with the federal government, other provinces, First Nations, and local governments are an ongoing challenge, and are essential to achieving BC's agri-food sector interests. The Ministry strives to promote co-operation and understanding among these partners to strengthen support for farming and aquaculture operations.

The agriculture and fisheries sectors are vulnerable to unpredictable risks.

The agriculture and fisheries industries continue to be challenged by significant and unpredictable weather conditions, market situations and disease crises. These can create wide fluctuations in income and prices, leading to instability for farmers and processors and the economies of local communities. These risks can affect investment decisions at the farm level and can lead to under-investment that may affect output and efficiencies in the long run. As part of the federal-provincial Agricultural Policy Framework (APF) agreement, B.C. is supporting implementation of the new Canadian Agricultural Income Stabilization Program to improve the capacity of farmers to manage risks.

Internal to the ministry — opportunities, challenges and risks

The B.C. government and the ministry continue to strengthen accountability, exercise a conservative fiscal responsibility, reduce regulations and focus on results. The ministry has adopted an integrated farm-to-fork/sea-to-table approach to its business, which has meant an increased focus on improving the integration of policy within the ministry, provincial government, key federal agencies and local government. This whole food system approach allows the ministry to optimize benefits and efficiency within the whole value chain. The ministry has continued to integrate and co-ordinate the efforts of staff to harness their strengths to succeed in this new environment.

Ministry Structure and Core Business Areas

Core Business Area 1: Industry Competitiveness

Industry competitiveness is the measure of how well an individual business or industry sector can profitably compete for market share in the domestic and/or export marketplace on a sustainable basis. The ministry's work in this core business area strengthens industry competitiveness and B.C.'s investment climate by:

- reducing the regulatory burden on businesses;
- increasing industry access to information and expertise;
- assisting industry associations to be independent and self-reliant;
- fostering research, development and innovation within industry;
- influencing international and inter-provincial trade negotiations and disputes; and
- advocating for agriculture, food and fisheries interests within government.

Core Business Area 2: Fisheries and Aquaculture Development

The fisheries and aquaculture management business area consolidates sector expertise (shellfish and finfish aquaculture, and wild fisheries) in one business area to increase provincial capacity to identify and act on opportunities to promote growth.

Key functions include:

- developing and promoting management approaches that encourage economic growth and meet environmental objectives;
- harmonizing policies and regulations at the federal and provincial levels;
- strengthening monitoring and enforcement regimes;
- participating in coastal and marine planning; and
- building awareness of fisheries and aquaculture practices and economic benefits.

The fisheries and aquaculture business area works in partnership with industry and other business areas of the ministry, as well as external agencies and other levels of government.

Core Business Area 3: Food Safety and Quality

The food safety and quality business area contributes to food safety and quality and plant and animal health through the food chain, and supports positive public health outcomes. The business area includes:

- working with the agriculture and aquaculture sectors to promote the use of best management practices and on-farm food safety and quality systems, including disease and pest management, waste management and weed control;
- operating a plant diagnostic laboratory and an internationally accredited animal health laboratory to diagnose and monitor disease occurrences to support effective management of plant and animal diseases, including those which can be transmitted to people;
- continuing to develop effective systems to track products throughout the food system to protect against major disease or pest outbreaks;
- supporting the implementation of improved systems for food safety and quality and product tracking; and
- encouraging the development and implementation of international standards for safety and quality to maintain access to markets and public health standards.

Core Business Area 4: Environmental Sustainability and Resource Development

The environmental sustainability and resource development business area ensures that growth is managed in an environmentally and socially sound manner by:

- developing and delivering programs on best farm practices related to the management of soil, waste and water;
- promoting co-operation and understanding among neighbours at the rural/urban interface, and reviewing official plans and bylaws to ensure local government officials support farm operations and therefore encourage investment in their local economies; and
- working in partnership with other government agencies to maintain and improve access to Crown and agricultural resources.

Core Business Area 5: Risk Management

Agriculture faces many uncertainties in relation to weather, diseases and markets and these can often lead to unstable incomes and very significant losses. The objective of risk management is to reduce or mitigate the impact of these fluctuations so farmers can remain competitive with an approach that includes improved risk management by farmers themselves. The risk management business area includes the following functions:

- developing, delivering and promoting risk management products to BC farmers and ranchers that are consistent with the new federal/provincial Agricultural Policy Framework (APF) and international trade obligations; and
- building partnerships to involve the private sector in risk management programs and to reduce the province's exposure to associated financial risks.

A key focus of this business area will be to implement the risk management chapter of the APF.

Core Business Area 6: Executive and Support Services

Executive and support services supports the ministry and each of its business areas by:

- leading the development, implementation and ongoing evaluation of the ministry's human resource management plan and providing supporting strategies including succession planning, recruitment, retention and individual performance management, rewards recognition and learning and development;
- providing financial management services such as preparing annual expenditure, revenue and capital budgets and carrying out budgetary control functions;
- implementing processes to increase administrative efficiency and manage risks; and
- supporting policy development within particular business areas and at the broader ministry and government levels.

Update on *New Era* Commitments

New Era Commitment	Action	Progress to Date (03/04)
Develop a strategic plan to renew the fisheries industry.	Review fisheries and aquaculture governance and service delivery. Build a common vision and strategy for industry development.	**Ongoing:** A new partnership with the federal government on fisheries management: 1. Pacific Council of Fisheries and Aquaculture Ministers launched in December 2003 with clear indication of renewed federal commitment to working with B.C. to resolve fisheries-related issues. 2. Federal-Provincial Task Group on Post Treaty Fisheries launched to define a new vision for integrated fisheries management. 3. Various strategies employed to achieve greater influence over fisheries management, regulation of aquaculture and fish habitat protection. Developing a policy framework for fisheries and aquaculture in the 21st century: 1. B.C. Seafood Sector and Tidal Water Recreational Fishing Strengths Weaknesses Opportunities Threats (SWOT) analysis completed and presented to industry as a critical step in developing new policy. 2. Background work completed regarding scope of new legislation and key statutory tools. 3. Regulatory burden analysis completed for shellfish aquaculture sector as basis for policy and regulatory reform strategy.

New Era Commitment	Action	Progress to Date (03/04)
Examine the potential for growth of the aquaculture sector in a manner that minimizes environmental impacts.	Expand salmon aquaculture in an environmentally sustainable way. Waste and escape management. Fish health, farm siting, closed containment and other green technologies. Streamline compliance and enforcement for aquaculture. Build and maintain co-operative partnerships.	**Significant Progress — More Work Required:** Relocation of poorly sited finfish farms. Monitoring shows dramatic reduction in fish escapes following new performance escape regulations implemented in 2002. Inspections of all active finfish farms and routine monitoring of shellfish sites builds on compliance and enforcement agreement ratified between the Ministry of Agriculture, Food and Fisheries and the Ministry of Water, Land and Air Protection in 2002. Routine monitoring of fish health on farms on an industry-wide basis continued under the Audit and Surveillance Program, and sea lice monitoring has been strengthened.
Review regulated marketing in the agriculture sector and make recommendations.	Provide a policy framework for marketing boards to improve market responsiveness, encourage specialty products and further processing in B.C. over a three-year period.	**Achieved:** Former B.C. Marketing Board and Farm Practices Board were merged into the British Columbia Farm Industry Review Board. A merit-based recruitment process to appoint all commodity board chairs through order in council. The Mushroom Marketing Commission is being wound up. Industry needs assessment initiated for mushroom, vegetable, hog and cranberry sectors. Boards that deal with products where the supply is managed are continuing to review their policies and programs with respect to specialty markets.

New Era Commitment	Action	Progress to Date (03/04)
Participate actively in supporting the success of the Ministry of Sustainable Resource Management.	Develop and implement shellfish development plans. Establish a process related to aquaculture siting, resource planning and economic development. Resolve interagency conflicts over access to land to manage and harvest crops, and access to water for drainage and irrigation.	**Ongoing:** Active participant in broader government initiatives to promote successful development and implementation of resource management policies including Oceans MOU, Living Rivers Strategy, Endangered Species/Species At Risk Act, Land Use Plans, Working Forest Initiative, implementation of sustainability principles. Agriculture Crown Access Strategy completed in co-operation with the Ministry of Sustainable Resource Management. Continued development of the Extensive Agriculture Program, which will allow farmers to access Crown lands suitable for agricultural development. Agricultural capability and suitability assessments conducted in strategic areas to identify Crown lands best suited for agricultural production.
With the Minister of State for Intergovernmental Relations, negotiate to increase provincial influence and represent provincial interests in federal fisheries management decision-making processes.	Work with the federal government on strategies to renew fisheries and expand aquaculture. Represent and incorporate provincial interests in federal fisheries and aquaculture management decision-making processes.	**Ongoing:** Created Pacific Council of Fisheries and Aquaculture Ministers as a forum for bilateral discussions around fisheries and aquaculture. Included joint management in a corporate strategy aimed at more effective engagement with the Department of Fisheries and Oceans. Concluded strategic joint initiatives to demonstrate to Canada the benefit of working jointly with the province on fisheries matters: 1. Federal-Provincial Task Group on Post-Treaty Fisheries. 2. Groundfish trawl management review. 3. Favourable hake sharing arrangement with the U.S. 4. B.C. appointment to Pacific Salmon Commission. 5. Reciprocal Tuna Access Agreement with U.S. 6. B.C. interests addressed via ongoing involvement in the Inshore Rockfish Conservation Initiative and dispute resolution processes.

Performance Reporting

In February 2003, the Government of British Columbia released the 2003/04 – 2005/06 Ministry of Agriculture, Food and Fisheries Service Plan. The Plan was prepared in accordance with the *Budget Transparency and Accountability Act* and outlines specific goals, objectives and strategies for the Ministry and established performance measures and targets by which performance can be assessed and reported. The annual service plan report communicates the ministry's achievements in 2003/04 in its core business areas in relation to ministry goals.

Overview of Ministry Goals

Goal 1: An agriculture, fisheries, aquaculture and food sector that is competitive in a global economy and provides economic benefit and stability to British Columbia's rural and coastal communities.

Goal 2: Optimum economic benefit to B.C. from fisheries and aquaculture while protecting the environment.

Goal 3: A food system that provides consumers and customers with greater confidence in the safety and quality of B.C. food, agriculture and seafood products while protecting the provincial economy from risks.

Goal 4: Sustainable development of the agri-food and seafood sectors.

Goal 5: Stable farm incomes for British Columbia farmers.

Goal 6: Policy, administrative and financial systems in place, complemented by a human resource strategy that allows the ministry to operate efficiently and effectively.

Core Business Area 1: Industry Competitiveness

Goal 1: An agriculture, fisheries, aquaculture and food sector that is competitive in a global economy and provides economic benefit and stability to British Columbia's rural and coastal communities.

Outcome: More profitable and growing sector.

The ministry enabled industry sectors to act on opportunities for market growth by promoting their interests through government programs and services, supportive regulations and international and interprovincial trade negotiations; by securing a fair share of federal and provincial funding, and by promoting industry-led research and market development initiatives.

Measure	Baseline	2003/04 Target	2003/04 Actual
Per cent yearly growth in agriculture, aquaculture and fisheries sectors (net income or wholesale values)	Agriculture 2002: $2.21 billion farm cash receipts	Agriculture: 2.5% growth in farm cash receipts over baseline	**Target achieved:** Agriculture: $2.31 billion farm cash receipts — 2003 preliminary data (4% growth over baseline);
	Fish 2001: $1.04 billion wholesale value	Fish: 4% increase in wholesale value over baseline	**Target achieved:** Fish: $1.15 billion wholesale value was reported for 2002 — an increase of approximately 10% in one year.

Objective 1: Increase B.C.'s ability to access the domestic and international market.

Strategies:

- Facilitate innovation and investment in bio-based industry e.g.: nutraceuticals, health foods, etc.

- Increase access to government information and expertise over three years to give farmers and businesses online access 24 hours/day seven days/week.
- Resolve existing and new trade impediments such as international and interprovincial barriers affecting B.C. agri- and seafood products by 2005 or according to trade negotiations and agreements.

Performance Measures and Results

Performance in relation to Objective 1 is measured by tracking the value of goods exported out of B.C. and by tracking key trade barriers addressed.

Measure	Baseline	2003/04 Target	2003/04 Actual
Dollar value of exports for agriculture, food and seafood products	$2.38 billion/yr. — 2001 data (agriculture and seafood)	4% growth/ year	**Target not met:** $2.45 billion/yr. — 2002 data (2.7% growth) $2.35 billion/yr. — preliminary 2003 data (4% decline)
Favourable trade agreements in place; removal of current trade barriers	Several trade impediments in place	Removal of impediments within trade rules	**On target:** Dairy analogues — dispute settlement process initiated with Ontario. Federal grain transportation policies found in contravention of WTO rules, reforms promised.

Note: BSE, and a higher Canadian dollar had significant negative impacts on exports in 2003, which is reflected in the lower-than-expected level of growth in the value of agriculture, food and seafood products.

Activities Related to this Objective:

Increasing Access to Government Information and Expertise:

InfoBasket

InfoBasket, an award-winning, Internet-based electronic information delivery tool, was expanded in 2003/04 to a total of 20 communities by including agritourism, berries and greenhouse vegetables.

InfoBasket was also expanded to include hot topics and alerts to enable industry to access important information on BSE, National Sheep Identification Program, sudden oak death, forage exchange, avian influenza, and pest alerts for berries. This provided specific information to groups that were affected by these events.

Effective Advocacy to Resolve Trade Issues:

WTO agriculture negotiations	Supported minister's advocacy efforts at WTO ministerial conference. Held two meetings of the B.C. Agrifood Trade Council.
BSE-related trade restrictions	Supported minister's and Canada's advocacy efforts in the U.S. for science-based approaches to Canada-U.S. cattle and beef trade, after a single occurrence of BSE in Canada. U.S. market partially re-opened beginning August 2003.
U.S. prior notice requirements	*Bioterrorism Act* — Supported minister's and Canada's advocacy efforts. Organized information session for B.C. industry. Submitted technical comments to U.S. authorities. Key problems addressed in revised regulations.
U.S. Farm Bill	Country of origin labeling — Supported minister's and Canada's advocacy efforts in U.S. to have the measure withdrawn.

Building Linkages and Resolving Trade Issues:

Nursery and floriculture trade	Obtained agreement with Washington State, Idaho and Missouri for a regional nursery and floriculture industry meeting in 2004 to build linkages, increase industry communication and facilitate trade.
Horticulture trade — invasive species	B.C. joined with Ontario and U.S. states to establish a working group to facilitate and encourage a co-ordinated approach to prevention, control and eradication of invasive pests, to effectively utilize resources and to minimize the potential for unwarranted trade restrictions.

Objective 2: A positive business and investment climate within the agriculture/fish sectors in B.C.

Strategies:

- Reduce regulation and barriers to improve the agriculture industry's ability to be economically viable.
- Promote self-funding mechanisms for farmers through their organizations to enable industry to fund its own technology and development.
- Assess the tax system to determine how B.C. compares to other jurisdictions.

Performance Measures and Results

A key measure for examining progress in creating a more positive business and investment climate is the reduction in regulations.

Measure	Baseline	2003/04 target	2003/04 Actual
Per cent reduction in regulations (ministry-controlled)	4,538 regulatory requirements (June 2001)	Reduce by 27% of baseline Reduce by 33% by June 2004	**On target:** The overall reduction as of March 31, 2004 stood at 25% (1,131 fewer requirements).

Note: The ministry has put in place a number of statutes, which repeal obsolete and redundant statutes and regulations. This legislation will continue to be brought into force over the remainder of 2004, as consequential changes to other regulatory requirements are made. When completed the ministry's regulatory requirements will have been reduced by 37 per cent, and will have exceeded its deregulation commitment.

Activities Related to this Objective:

Improving Industry Viability by Addressing Regulatory and other Barriers

Regulatory reform	Participated in the *Range Act* Legislation and Regulation Rewrite Committee (MOF, BCCA, MAFF), *Forest and Range Practices Act* Legislation and Regulation Rewrite Committee (MOF, BCCA, WLAP, MAFF).
Standards for organic finfish and shellfish production	Initiated development of provincial standards for organic aquaculture production, consultations with industry and interested environmental groups to develop a set of draft organic finfish and shellfish production standards. The draft standards will be assessed through a pilot project to be initiated this year.
B.C. Organic Certification Program	The U.S. Department of Agriculture recognized the B.C. Organic Certification Program as meeting its certification requirements for shipping products into U.S. markets.
Agriculture labour	New labour regulations were introduced in May 2003 that put B.C. on equal competitive footing with the rest of Canada and Washington State. The Agriculture Labour Partnership Committee (ALPC) continues to meet to develop long-term, strategic solutions to agriculture's labour market problems. A management committee comprising ALPC members will oversee the Agri-Food Futures Fund (AFFF) labour initiative.
Destination tourism	The ministry worked with the B.C. Agri-Tourism Alliance and B.C. Fairs and Exhibitions to implement a code of standards for B.C. agritourism operations.

Promoting Innovation and Development:

Investment, branding and value chain strategies — working in partnership with industry	Strategic plans and first-year work plans for four AFFF initiatives were approved by the Investment Agriculture Foundation, trustee for the fund. Nearly $5.5 million (over a five-year period) was allocated to initiatives that included agroforestry, food quality and safety, an agri-food initiative for Vancouver Island, food and beverage processing, and revisions to the strategic plan developed for agriculture labour and skills development. Commodity specific strategies were also developed in partnership with the B.C. Agriculture Council, B.C. Cattlemen's Association and the new B.C. Food Processors Council.
Industry development trust funds	10 industry development trust funds, established between 1992 and 2000, had a total market value of $17,462,561 as of March 31, 2004 (compared to $17,038,676 as at March 31, 2003). A total of $1,293,908 was disbursed during 2003/03 to fund industry development projects, which was matched 50:50 with industry contributions, both cash and in-kind.
Industry development councils	Industry development councils are established by the minister under the *Farming and Fishing Industries Development Act*. The Mushroom Industry Development Council was established on April 2, 2004, and will administer the levy for mushroom producers.

Core Business Area 2: Fisheries and Aquaculture Management

Goal 2: Optimum economic benefit to British Columbia from fisheries and aquaculture while protecting the environment.

Outcome: Growth in production and value of the fisheries and aquaculture industries to provide employment and wealth in coastal communities.

Fisheries and aquaculture contribute to the economy of B.C. and its coastal communities. There are opportunities for growth, and the ministry is looking for ways to expand the value of the aquaculture and wild fisheries sectors while maintaining environmental and social sustainability.

Measure	Baseline	2003/04 Target	2003/04 Actual
Per cent yearly growth in fisheries and aquaculture sectors (wholesale value)	$1.04 billion wholesale value 2001	4%/year increase on average	**On target:** $1.15 billion wholesale value was reported for 2002 — an increase of 10 per cent in one year.

Objective 1: An expanded aquaculture sector (finfish and shellfish) with improved financial viability and minimal environmental impact within 3 years.

Strategies:

- Relocate poorly sited finfish farms and site new finfish farms.
- Allow the finfish aquaculture (salmon) industry to expand by removing restrictions on development.
- Develop policy to enable diversification to new finfish species.
- Monitor compliance with waste management and escape standards through an improved and harmonized compliance and enforcement regime.

Performance Measures and Results

A key performance measure to monitor expansion of the aquaculture sector is the number of licences granted (salmon licences and shellfish licences) and the value of production.

Measure	Baseline	2003/04 Target	2003/04 Actual
Industry growth defined as volume and value of production, and number of licences	77,000 tonnes	—	94,000 tonnes (2002) — 22 per cent increase.
	$287 million value (2001)	—	$305 million value (2002) — 5.4 per cent increase.
			Target not met:
	121 salmon licences	130 salmon licences	129 salmon licences have been issued
			On target:
	455 shellfish licences	455 shellfish licences	466 shellfish licences have been issued
			(This represents a net increase of 19 licensed sites for the period as some sites are mid-renewal and have licences pending.)

Activities Related to this Objective:

Re-siting Finfish Farms and Siting New Finfish Farms:

Relocation of poorly sited finfish farms

Nine of 37 proposed relocations completed and 10 have provincial approvals and are awaiting *Canadian Environmental Assessment Act* approval. The remaining 18 are no longer being considered for relocation, are on hold at the proponent's request, or are under review by Land and Water British Columbia (LWBC).

Three of 13 new site applications have been completed.

Development of the Sector:

Renewing B.C. fisheries

Assessment of the B.C. seafood sector and tidal water recreational fishery was completed in February 2004. The report provides a comprehensive, third-party look at the B.C. seafood and tidal water recreational sectors and demonstrates provincial commitment to the industry's visions for sector growth. The assessment will help to guide policy development to renew the fishery and provide benchmarks against which to monitor sector performance.

First Nations involvement in B.C. fisheries and aquaculture	The ministry continued to co-ordinate more than $1 million in contribution agreements under the Economic Measures Fund (EMF) with First Nations to support economic development in coastal communities including shellfish business planning, co-ordination and training.
Shellfish aquaculture development	A total of 19 new shellfish farms were licensed, of which 10 were to First Nations. The new farms are expected to support 51 jobs and $4.5 million in economic activity.

An Improved and Harmonized Compliance and Enforcement Regime:

Dramatic reduction in fish escapes	Only 40 fish were reported as lost in 2003 — a dramatic reduction over previous years despite more rigorous reporting requirements.
Compliance with waste management and escape standards	MAFF Licensing and Compliance Branch staff inspected all active finfish farms in 2003 to ensure compliance with mandatory reporting of escapes and other regulatory provisions. These inspections assess regulatory and policy issues for MAFF, WLAP and LWBC in keeping with a joint agency service agreement. Results will be released early in fiscal year 2004/05.
Fish health	The routine monitoring of fish health on farms on an industry-wide basis continued under the audit and surveillance program. Sea lice monitoring was increased for spring migration of juvenile salmon as part of the agreed provincial protocol, and farms are reporting lice numbers on a provincial website monthly. Industry is reporting all causes of mortality and fish health events on a quarterly basis to the ministry from the British Columbia Salmon Farming Association database. This quarterly reporting and the ministry's unique monitoring program provides up-to-date sea lice and health information for farmed salmon.
Inspection of shellfish sites	Ministry fisheries inspectors conducted more than 20 planned inspections, and additional ad hoc inspections at other shellfish farms based on liaison with client agencies and/or complaints received.

Objective 2: Greater provincial influence over federal policy and management of the BC wild fishery to increase revenues to the B.C. seafood sector.

Strategies:

- Work with the federal government to establish a new working relationship to reflect current issues and needs.

Performance Measures and Results

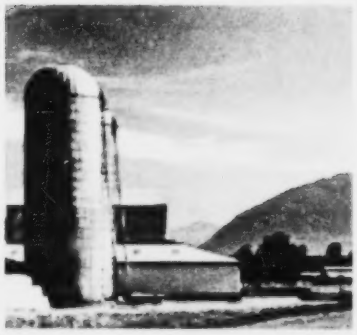
The primary measure of success will be the development and implementation of a new federal-provincial framework that increases the province's influence on decision-making in areas of federal jurisdiction. In July 2003, Canada and B.C. signed an agreement establishing the Pacific Council of Fisheries and Aquaculture Ministers (PCFAM). The ministry is focusing now on turning this working agreement into an operational arrangement.

Measure	Baseline	2003/04 Target	2003/04 Actual
A new relationship with the federal government regarding provincial influence on fisheries and aquaculture decision making	Several agreements in place — but poorly operationalized; sporadic federal-provincial contact at senior levels	Important elements of agreements operationalized; new working relationship defined; regular federal-provincial contact at all levels	**On target:** On July 23, 2003, B.C. and Canada ministers responsible for fisheries signed a new bilateral Agreement on Pacific Council of Fisheries Ministers, based on the principles of interjurisdictional co-operation. The Agreement flows from the Multilateral Agreement on Inter-jurisdictional Co-operation. Agreement amended in December 2003 to include the Yukon government and aquaculture.

Note: The PCFAM will address issues related to:

- aquaculture;
- harmonization/DFO's habitat risk management framework;
- development of an MOU for implementation of Canada's oceans strategy in B.C.;
- Federal-Provincial Joint Task Group on Post-Treaty Fisheries; and
- federal *Species at Risk Act*.

Core Business Area 3: Food Safety and Quality



Goal 3: A food system that provides consumers and customers with greater confidence in the safety and quality of B.C. food, agriculture and seafood products while protecting the provincial economy from risks.

Outcome: High level of domestic and international confidence in B.C. foods.

Profitability and growth within the agriculture, food and fisheries sectors depend on continued access to markets, which is tied to consumer confidence in the safety and quality of B.C. products and production systems.

Measure	Baseline	2003/04 Target	2003/04 Actual
Annual external evaluation of the food system and products by a panel of experts as a proxy for public confidence (e.g.: representatives from Canadian Food Inspection Agency, BC Centre for Disease Control, health sector, retail sector, and others.)	Baseline in development	Evaluation report on food system as a proxy indicator of public confidence; report shows positive consumer confidence	**Performance measure and targets refined:** The ministry did not proceed with the evaluation of the food system as planned. Instead, it aligned itself with the comprehensive national survey on consumer perceptions about food safety and food quality that Agriculture and Agrifood Canada initiated. This work supports the APF's commitment to increase consumer confidence in the safety of food. The survey will be conducted in April and May 2004, and results will be available in August 2004.

Objective 1: Maintain public health standards as a result of the agriculture and seafood industries implementing food safety and quality systems for the prevention, early detection and control of plant and animal pests and diseases, and food-borne health risks.

Strategies:

- Strengthen prevention programs for diseases and pests of animals and plants, and food-borne health risks.
- Identify major animal, plant and fish diseases and pests early, and develop intervention plans to manage these risks without industry incurring major economic losses.
- Change existing regulations to define standards expected for the safety of the products, rather than on how to produce them.

Performance Measures and Results

A broad contextual measure of performance is the incidence of gastro-intestinal illnesses, which is also affected by many factors that are beyond the ministry's control.

Measure	Baseline	2003/04 Target	2003/04 Actual
Number of gastro-intestinal illnesses	132 gastro-intestinal illnesses per 100,000 population[1]	Maintain or reduce number of gastro-intestinal illnesses per 100,000 population	**Target achieved:** In general the rate of gastro-intestinal illnesses in B.C. remains the same. A direct comparison is not possible as there has been a change in BC Centre for Disease Control's reporting requirements and laboratory procedures.

[1]Note: Changes in reporting requirements and laboratory/diagnostic procedures made it impossible to make comparisons with previous years. New performance measures and baselines will be determined for subsequent years.

Activities Related to this Objective:

Early identification and diagnosis of foreign animal disease	Avian influenza was rapidly diagnosed and immediately reported to the CFIA. Further testing identified the flu as H7N3, a highly pathogenic avian influenza (HPAI) leading to implementation of the foreign animal disease eradication support plan (FADES) and additional identification of spread to 41 poultry premises.
Food safety discussion paper	The ministry is leading development of a discussion paper on food safety, which is examining the roles and responsibilities of B.C.'s food safety players, and identifying the critical points of control and influence so the ministry can position itself for maximum effectiveness.
Adapt surveillance, inspection and tracking systems for animals and feed in wake of the BSE crisis	B.C. is fully engaged with CFIA and industry to implement regulatory changes flowing from the BSE crisis, e.g., removal of specified risk materials from food chain; province collaborating to achieve federal targets for enhanced BSE surveillance, potential changes to feed regulations and enhancements to animal tracking systems.
Pest management	The ministry facilitated nine emergency pesticide registrations that alleviated serious economic impact to the greenhouse vegetable, field vegetable, mushroom, ginseng, berry and apiculture industries. The ministry obtained a biological control agent and developed pest management options for the cereal leaf beetle, which threatens wheat and barley production and the movement of forage, hay and straw.
Controlling the spread of invasive and noxious weeds	The ministry led a review of noxious weed management on Crown lands, which resulted in the creation of the Inter-Ministry Invasive Plant Committee to implement an integrated and efficient invasive plant strategy for Crown land in B.C. in partnership with industry and local communities.
Responding to plant health risks	Ongoing activities to identify new plant diseases and develop management strategies to keep the disease pressure below the economic threshold.

Objective 2: Maintain access to domestic and international markets and protect the provincial economy through pest and disease management, and through on-farm adoption of recognized food safety and quality systems.

Strategies:

- Encourage the agriculture, aquaculture and fisheries industries to adopt quality programs directly on their farms or in their processing plants and operations; shift government's role to oversight, audit and risk assessment.

- Promote adoption of systems so B.C. products can be traced from production to retail.
- Influence federal policies and programs through the APF for food safety programs and reorient federal resources to meet B.C.'s objectives.

Performance Measures and Results

Performance is measured primarily by tracking the development and implementation of on-farm food safety and/or quality systems.

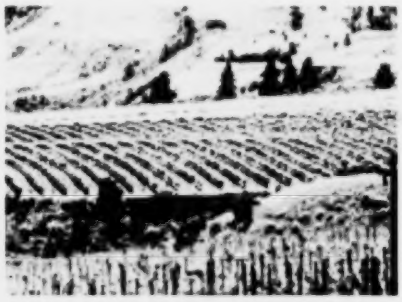
Measures	Baseline	2002/03 Target	2002/03 Actual
Percentage of B.C.'s agriculture and seafood industry organizations developing or implementing an on-farm food safety (OFFS) and quality program	To be developed and confirmed	Program under development	**On target:** 19 voluntary, industry-led, national OFFS programs are being developed or implemented. Many B.C. agri-food groups are developing or implementing good practices guidelines and OFFS programs. Separate agricultural and seafood quality programs are under development under provincial legislation.

Note: Voluntary, industry-led programs will provide assurances and support access to domestic and international markets. These include good practices guidelines, recognized OFFS programs, quality programs and supply chain programs (e.g., traceability). Ministry staff provided information, technical expertise and program development in support of industry-led initiatives. As food safety and food quality information services and resources become available, clients will be better able to develop and implement programs.

Activities Related to this Objective:

Food safety and traceability	The ministry supported the rollout of components of the Canadian Food Safety and Quality Program, including its $62-million Systems Development Program and $80-million On-Farm Implementation Program. This will improve traceability and food safety and quality across the food production system.
Program reviews and guidance	The ministry participated in technical reviews of OFFS programs, and federal-provincial food safety processes.
Integrated pest management	The ministry influenced pest management policies and programs and raised awareness of B.C. issues by participating on federal, provincial/territorial, and international committees related to pest and pesticide management.

Core Business Area 4: Environmental Sustainability and Resource Development



Goal 4: Sustainable development of the agri-food and seafood sectors.

Outcome: Achieve economic growth in balance with environmental and social values.

In order to achieve the economic potential of agriculture, food and fisheries, growth opportunities must be environmentally and socially sound.

Measures	Baseline	2003/04 Target	2003/04 Actual
Relative financial growth of operations with farm environmental plans versus historic data	Not available Environmental farm plan program being developed	Baseline information will be developed	**Target achieved:** Baseline environmental indicators and practices developed (Agri-environmental Indicators Baseline Data Report — Jan./04) using Statistics Canada Farm Environmental Management Survey 2001 data augmented with provincial survey data.

Objective 1: Agriculture, aquaculture and fisheries industries that use management practices that pose acceptable risks to the environment.

Strategies:

- Develop and promote farm use of farm environmental plans (including best practices standards, operating procedures and audit processes), in conjunction with producers, regions and agencies.
- Negotiate a fair share of funding for B.C. through the APF for environmental sustainability programs.
- Continue to update B.C. standards, policies and regulations maximizing environmental performance of the aquaculture industry.
- Work with other provincial ministries and agencies on policies and strategies dealing with drinking water, wildlife management, weed control on Crown land and other similar issues to maximize returns from agricultural crops and livestock.

Performance Measures and Results

The development and implementation of environmental farm plans is a key performance measure. Progress was slowed somewhat in 2003/04 with delays in establishing the program.

Measures	Baseline	2003/04 Target	2003/04 Actual
Degree to which farms use best management practices i.e., make changes according to on-farm environmental plans or comply with standards.[1]	Less than 10% of B.C. agriculture farms have implemented on-farm environmental plans 15 per cent in aquaculture sector	10%	**Target not met:** B.C., through an innovative partnership with the B.C. Agriculture Council, is leading all provinces in implementing the environmental farm planning program ($20.28 million/5 years). It has: • Negotiated provincial funding through the APF. • Developed all program modules. • Trained and tested 63 planners. • Completed a regional scan of environmental issues and risks throughout B.C. • Prepared 15 pilot environmental farm plans.

[1] Note: Progress towards B.C.'s 2003/04 target for environmental farm plans was slowed by delays in negotiating the provincial allocation of funding through the APF Agreement to support the delivery of environmental farm planning. The contribution agreement was signed in January 2004.

Objective 2: Create and maintain a positive regulatory climate within local government jurisdictions to encourage investment in agriculture, aquaculture and fisheries in their communities, and to encourage the use of responsible production practices.

Strategies:

- Review local government bylaws to ensure they support farmers using normal farm practices in order to be economically viable.
- Develop standards to ensure local government bylaws are fair and supportive to agriculture.
- Work with local governments to develop agriculture area plans that will provide direction and guidance so they can enhance their local agriculture industries.
- Support formation and operation of local agriculture advisory committees so that agriculture issues receive priority attention from councils and boards.

Performance Measures and Results

The ministry has developed an evaluation index to support performance measurement against this objective. The index considers many different aspects of local government policies and programs, bylaws and zoning, and develops an overall rating of the extent to which local government supports agriculture and fisheries in B.C.

Measure	Baseline	2003/04 Target	2003/04 Actual
Evaluation index of local government policies and programs supporting agriculture and fisheries	Evaluation criteria in development	Baseline index established and tested	**Target achieved:** Evaluation index of local government policies and programs developed and tested with two local governments.

Activities Related to this Objective:

Review of local government bylaws	Reviewed local governments' plans and bylaws.
Agriculture area plans	Completed three agriculture area plans. Completed land use inventories in Abbotsford, Burnaby and the Salmon River watershed (District of Salmon Arm, Thompson-Nicola Regional District, Columbia Shuswap Regional District).
Supportive bylaws	Developed standards for audible bird scare devices and areas that require special management practices. Created or updated 64 normal farm practice descriptions and made them web-accessible.
Local advisory committees	20 Agriculture Advisory Committees have been established.
Right to farm legislative amendments — Bill 48	Amended right to farm legislation to include Crown land designated as farming areas, and to clarify that bylaws which have the purpose and effect of regulating the conduct of farm operations in farming areas are farm bylaws. A protocol is being developed with the Union of B.C. Municipalities to implement the amendments.

Objective 3: Increase amount and capability of Crown agricultural land reserve lands for agricultural production.

Strategies:

- Participate with the Ministry of Sustainable Resource Management in expanding the agriculture lease-to-purchase program to provide greater access to Crown land for agriculture, and to increase the grazing capacity of Crown range leases.

Performance Measures and Results

A key measure of access to Crown lands is the Crown land production capacity available to the agriculture sector for grazing. Capacity is expressed in terms of Animal Unit Months, which is the amount of forage consumed by a mature cow (with or without a calf up to six months of age) during one month.

Measure	Baseline	2003/04 Target	2003/04 Actual
Production capacity of Crown ALR land for grazing	Approximately 897,000 Animal Unit Months of grazing capacity — 2001 data	Maintain Animal Unit Months of grazing capacity	**Target not achieved:** Animal Unit Months of grazing tenured by the Ministry of Forests declined by 1 per cent.

Note: Progress towards the 2003/04 target was slowed due to increasing competition for Crown forest by wildlife, due to forest ingrowth and encroachment, and from delays in tenuring new grazing opportunities.

Activities Related to this Objective:

Enhance access to Crown land for agriculture

Eligibility criteria improved for the Extensive Agriculture Program (lease-to-purchase program).

Agricultural capability and suitability assessments identified agriculture development areas in the Bulkley Valley, Mackenzie, Fort St. James, Robson Valley and Prince George areas.

Agriculture Crown resource access strategy completed in co-operation with the Ministry of Sustainable Resource Management.

Core Business Area 5: Risk Management

Goal 5: Stable farm incomes for British Columbia farmers.

Outcome: Stable farm incomes through programs that effectively minimize the impact of unpredictable, uncontrollable risks for B.C. farmers.

Weather hazards, natural disasters, diseases, pests and erratic markets can cause losses and lead to income instability in specific commodities. The ministry is fostering a shared-risk management approach with programs that stabilize these fluctuations so farmers can continue operating through downturns and remain competitive. This approach helps industry avoid significant income variability and the need for ad hoc government responses.

Measure	Baseline	2003/04 Target	2003/04 Actual
Stable farm incomes as measured by annual deviation from 5-year rolling average	Farm cash receipts $2.21 billion (2001) which was 13.75% above the previous 5-year rolling average	Reduced negative deviation from 5-year rolling average	**Target achieved:** Positive deviation. 2003 farm cash receipts at $2.31 billion which is 13.3% above the 5-year rolling average.

Objective 1: A system of basic protection for farmers from uncontrollable and unpredictable disasters such as weather hazards, natural disasters, disease, pests and erratic markets consistent with trade obligations.

Strategies:

- Maximize federal funding offered to B.C. farmers through negotiations on the APF so that the combined federal/provincial investment provides a fair and effective level of support for risk management.
- Engage the private sector through partnerships or improved linkages to increase the range of risk management tools available to farmers in B.C.
- Make adjustments to the Whole Farm Insurance Program, Net Income Stabilization Account, and Crop Insurance in order to meet reduced budget targets over three years.

Performance Measures and Results

Performance is measured by examining the extent to which farmers are participating in risk management programs by comparing the total value of insurable crops to the total value of these same crops that are covered by some form of risk management (insurance) product.

Measure	Baseline	2003/04 Target	2003/04 Actual
Levels of participation in risk management programs — as measured by per cent of value of insurable crops covered by insurance	30 – 70 per cent (varies by crop) of value of insurable crops covered	Progress toward 2005/06 target (70 per cent of the value of all insurable crops covered by insurance/ programs)	**On target:** Sign-up for coverage (number of farm businesses that have coverage) in 03/04 is comparable to 02/03 The value of crops covered has increased

Note: Participation in the new CAIS program will need to be incorporated into this measure in future years. The increase in coverage is likely a combination of more people purchasing policies, insurable values increasing or people increasing coverage. A quantitative measure in relation to the target is currently dependent upon census data.

Activities Related to this Objective:

Implementation of the Canadian Agricultural Income Stabilization Program

B.C. is among the first provinces to make the CAISP available (including interim payments in response to BSE), following a smooth wind down of the Whole Farm Insurance Program.

The ministry played a lead role in developing proposed linkages between CAISP and crop insurance so that B.C.'s need for cost-effective catastrophic coverage was not compromised.

BSE response

The ministry helped design, negotiate and deliver three BSE-related support programs in partnership with the federal government (and on a stand alone basis), securing approximately $70 million for B.C. ranchers and related farmers (BSE Recovery Program, Cull Animal Assistance Program and Market Steer and Heifer Transition Program), and interim payments through the CAISP.

Crop Insurance program data	2002/03	2003/04 (Target)	2003/04
	2002 crop year	2003 crop year	2003 crop year
Premiums	$14.7 million	$15.5 million	$15.2 million
Value of crops covered	$262.0 million	$265.0 million	$278.0 million
Loss ratio of claims to premiums (10-year moving average)	0.71	0.70	0.67
Administration costs as a percentage of premiums	17 per cent	17 per cent	16 per cent

Note: Premiums declined in 2003/04 reflecting a decline in insurance rates and the lower value of pay-outs in 2003/04.

Objective 2: A policy framework for marketing boards that increases B.C.'s share of national allocations, provides better governance, improves market responsiveness, and encourages specialty products and further processing in B.C. over a three-year period.

Strategies:

- Implement the recommendations of the regulated marketing review completed in 2002/03.

Performance Measures and Results

A key measure of success is an increase in B.C.'s share of the total Canadian sales of supply-managed commodities. While B.C. accounts for 13.1 per cent of Canada's population, its relative share in the sales of some supply-managed commodities is often lower.

Measure	Baseline	2003/04 Target	2003/04 Actual
B.C.'s share of Canadian sales of supply-managed commodities compared to B.C.'s percentage of Canadian population (13.2 per cent), or as greater market demand dictates.	Milk — 8.3% Chicken — 15.7% Turkey — 10.6% Eggs — 12% Broiler egg — 16.6%	Gradual increase in market share	**On target:** Milk — 8.3% Chicken — 15.8% Turkey — 10.7% Eggs — 12.4% Broiler egg — 16.1%

Note: Commodity-specific targets removed for the 2003/04 reporting year. Targets will be further developed in fiscal year 2004/05 following full implementation of the recommendations of the regulated marketing review.

Activities Related to this Objective:

Implementing the recommendations of the regulated marketing review

Merged B.C. Marketing Board and Farm Practices Board into the B.C. Farm Industry Review Board.

Established (with the Board Resourcing and Development Office) a formal, merit-based process to recruit and appoint all commodity board chairs through order in council.

The Mushroom Marketing Commission is being wound up.

Conducting needs assessment in other non-supply managed sectors to determine any further changes required to facilitate the marketing of these products.

Under the direction of the BCFIRB, all supply-managed boards have undertaken a full review of their policies and programs with respect to specialty markets. Further work is required by BCFIRB and the ministry.

Core Business Area 6: Corporate Services

Goal 6: Policy, administrative and financial systems, complemented by a human resource strategy that allows the ministry to operate efficiently and effectively.

Outcome: An efficient, accountable administrative operating environment to achieve clear policy objectives, supported by productive and skilled employees.

The ministry's success depends on effective corporate functions and human resource planning. Supporting administrative, financial and policy/legislative services help to focus the ministry on key goals and opportunities and ensure the ministry and its business areas work effectively, use financial and staff resources wisely and maintain a high level of accountability to British Columbians.

Measures	Baseline	2003/04 Target	2002/03 Actual
Compliance with the government's strategic plan	Ministry service plan	Ministry achievement of the service plan objectives	**On target:** 18 of 22 performance targets achieved or substantially achieved

Note: Performance has been reported on 22 targets. One additional target was refined in 2003/04 and performance could not be assessed.

Objective 1: A comprehensive human resource management plan that encourages/ develops leadership while providing for succession planning, recruitment, performance measurement and training.

Strategies:

- Deliver a human resource management plan over a period of five years, including recruitment as needed, training, skill development and employee performance management and development plans.

Performance Measures and Results

Performance will be monitored by identifying the extent to which components of the human resource management plan have been implemented over the next three years.

Measures	Baseline	2002/03 Target	2002/03 Actual
Human resource plan in place	Human resource plan being developed	Strategies refined for training, succession and recognition	**On target:** HR management plan (including development objectives for a ministry learning plan and succession plan) developed and finalized with broad staff input. Implementation underway.

Activities Related to this Objective:

Performance plans for ministry staff	All executive, directors, excluded managers and most other managers have completed 1.5 days of employee performance and development plans (EPDP) training. 85 per cent of excluded managers have registered EPDPs; the rest are in discussion with supervisors or going through job reassignment.
Succession planning	Succession planning project charter developed and approved by executive. Leadership competencies identified and included in all senior management (ML 6+) postings.

Objective 2: A flexible, comprehensive policy framework that supports the ministry's new mandate as determined in the core review process, and which is fully documented and communicated to staff, other ministries and the industry.

Strategies:

- Develop and/or update policies on core business areas as needed; develop and adjust legislation.
- Continue developing strategic alliances with other ministries and outside agencies to ensure they understand and support agriculture, food and fisheries policies in efforts to optimize economic growth for B.C.

Performance Measures and Results

A key measure of success for the ministry is the documentation of a targeted policy framework for the ministry as well as effectively communicating and advancing policies to other agencies, interests and levels of government that have a significant influence on the ability of the ministry to achieve its broader goals of growth in the agriculture, food and fisheries sectors.

Measures	Baseline	2003/04 Target	2003/04 Actual
A strategic policy framework that improves the economic climate, meets deregulation targets and ensures business areas are founded on a firm policy and legislative base	APF in place	Implementation agreement signed	**Target achieved:** APF implementation agreement signed June 13, 2003, representing a five-year commitment in federal and provincial funding that will support: • Business risk management • Environmental farm planning • Further development of food safety and quality systems • Business management • Science and innovation programs
	No policy framework for fisheries and aquaculture	Fisheries and aquaculture for the 21st century.	**On target:** Completed B.C. Seafood Sector and Tidal Water Recreational Fishing SWOT analysis. Policy framework a service plan priority for 2004/05. Launched Certainty for All Strategy for federal-provincial release in May 2005.

Note: The performance measure as originally worded in the ministry's service plan for 2003/04-2005/06 was as follows: "A documented policy framework available and communicated to all relevant stakeholders regarding the ministry's six core business areas." The wording of this measure was refined during the course of 2003/04 to direct the ministry's efforts to policy areas that were of greatest strategic importance in achieving service plan goals.

Note: The baselines and targets were refined in 2003/04 to identify specific baselines and targets for key policy areas. The baseline as originally worked in the ministry's service plan for 2003/04-2005/06 was as follows: "Policies in place, but more complete documentation underway."

Report on Resources

Resource Summary by Core Business Areas

	Estimated[1]	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Industry Competitiveness	4,604	—	4,604	4,826	(222)
Fisheries and Aquaculture Management	5,146	—	5,146	5,332	(186)
Food Safety and Quality	6,189	—	6,189	5,788	401
Environmental Sustainability and Resource Development	7,466	—	7,466	7,473	(7)
Risk Management	16,349	30,013[2]	46,362	46,366	(4)
Executive and Support Services	9,399	—	9,399	9,359	40
Cattle (Horned) Act		22	22	22	0
Total	**49,153**	**30,035**	**79,188**	**79,166**	**22**
Full-time Equivalents (FTEs)					
Industry Competitiveness	45	—	45	41	4
Fisheries and Aquaculture Management	46	—	46	42	4
Food Safety and Quality	51	—	51	46	5
Environmental Sustainability and Resource Development	76	—	76	74	2
Risk Management	43	—	43	30	13
Executive and Support Services	68	—	68	65	3
Total	**329**	**—**	**329**	**298**	**31**

Note 1: The 'Estimated' amount corresponds to the *Estimates* as presented to the Legislative Assembly on February 18, 2003.

Note 2: $27.3M Supplementary Estimates to provide funding to defray disaster relief costs and other consequential expenses resulting from government's response to Bovine Spongiform Encephalopathy (BSE); $2.713 access to contingency to offset pressure due to the consolidation of Crop Insurance operations with MAFF at March 31, 2004.

Capital Expenditures and Financing Transactions

	Estimated[1]	Other Authorizations	Total Estimated	Actual	Variance
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Industry Competitiveness	70	—	70	—	70
Fisheries and Aquaculture Management	494	—	494	111	383
Food Safety and Quality	300	—	300	189	111
Environmental Sustainability and Resource Development	667	—	667	33	634
Risk Management	366	—	366	439	(73)
Executive and Support Services	93	—	93	111	(18)
Total	**1,990**	**—**	**1,990**	**883**	**1,107**
Other Financing Transactions ($000)					
Industry Competitiveness *Agriculture Credit Act* (Agricultural Land Development Program)					
Receipts	870	—	870	1,233	363
Risk Management (Crop Insurance Stabilization)					
Receipts	3,000		3,000		3,000
Disbursements	(3,000)	—	(3,000)	—	(3,000)
Total Receipts	**3,870**		**3,870**	**1,233**	**363**
Total Disbursements	**(3,000)**		**(3,000)**		**(3,000)**
Total Net Cash Source (Requirement)	**870**	**—**	**870**	**1,233**	**363**

Note 1: The 'Estimated' amount corresponds to the *Estimates* as presented to the Legislative Assembly on February 18, 2003.

Revenue and (voted and unvoted) Recoveries by Core Business Area

Core Business Area	Recovery $
Industry Competitiveness	
Recovery of prior year expenditures	135
Section 25 various recoveries	54,079
Total	**54,214**
Fisheries and Aquaculture Management	
Commercial Fishing Licences	312,764
Aquaculture Licenses	50,163
Recovery of prior year expenditures	428,258
Total	**791,185**
Food Safety and Quality	
Health Management and Regulatory Fees and Licenses	32,390
Horned Cattle Fees	5,410
Veterinary Laboratory Fees	199,026
Plant Laboratory Fees	11,195
Section 25 Various Recoveries	97,538
Total	**345,559**
Environmental Sustainability and Resource Development	
ALDA *(Agricultural Land Development Act)* — Interest on Loans	156,848
ALDA — Recovery of concessionary loans	705,566
Recovery of Prior Year Expenditures	774
Total	**863,188**

Revenue and (voted and unvoted) Recoveries by Core Business Area

Core Business Area	Recovery $
Risk Management	
Recovery of prior year expenditures	4,851
British Columbia Marketing/Farm Practices Board — appeal fees	2,100
Livestock Protection Act — Dog Licences	7,631
Production Insurance[1] — Administration Cost Recovery — Federal	1,570,796
Consolidation of Production Insurance — Federal Contribution	7,254,725
Consolidation of Production Insurance — Producer Contribution	3,076,472
Section 25[2] Canada BC Wildlife Damage Compensation Program	835,956
Section 25 Agriculture Policy Framework — Transition	6,456,091
Section 25 Bovine Spongiform Encephalitis (BSE) Federal	4,435,346
Section 25 Investment Agriculture Foundation Executive Salary	35,530
Total	**23,679,498**
Corporate Services	
Interest on Overdue Accounts	2,375
Recovery of Prior Year Expenditures	11,348
Miscellaneous Receipts — Fees	4,267
Miscellaneous Receipts — Non-fees	9,800
Section 25 Various Recoveries	107,654
Total	**135,444**
Total Ministry Revenue and Cost Recovery	**25,869,088**

[1] This is the first year production insurance has been consolidated into the ministry accounts (previously segregated as trust funds).

[2] Section 25 — recoveries of payments based on contributions.